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**CITY OF SANTA FÉ**  
**Occupancy Tax Advisory Board**  
**November 24, 2015**

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**MINUTES OF THE**  
**CITY OF SANTA FÉ**  
**OCCUPANCY TAX ADVISORY BOARD**

November 24, 2015  
10:00 a.m.

**I. PROCEDURES**

**a. CALL TO ORDER**

A regular meeting of the City of Occupancy Tax Advisory Board was called to order by Member Pettus in the absence of Chair Margetson on this date at approximately 10:19 a.m. in City Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fé, New Mexico.

**b. ROLL CALL**

Roll call indicated the lack of a quorum [later established] as follows:

**Members Present:**

Elizabeth Pettus  
Victoria Bruneni [arriving later]  
Jon Hendry  
David Griscom [ex officio]

**Members Absent:**

Paul Margetson, Chair [excused]  
Al Lucero [excused]

**Staff Present:**

Randy Randall, Executive Director  
John Feins, Public Relations Director

**Others Present:**

Carl Boaz, Stenographer

**c. APPROVAL OF AGENDA**

The agenda was approved later in the meeting.

**d. APPROVAL OF MINUTES - August 27, 2015, September 22, 2015, October 27, 2015**

The minutes were approved later in the meeting.

## **II. LODGERS' TAX**

### **a. Update – Randy Randall**

Mr. Randall presented the update. The good news is that receipts are up over the prior year and that has made up the deficit from July so we are now \$16,000 ahead for the fiscal year. So we are on track compared with prior year. The other good news is that both RM and Star for October indicate that the October results were strong.

The Rocky Mountain report reflects weighted to downtown and Star includes better distribution with Cerrillos Road.

Member Griscom asked who does this.

Mr. Randall said the City creates the report but revenue lags two months behind. It appears that rev/par downtown in Rocky Mountain is up \$20 across the board. It is as much as \$100,000 up for October. The \$41,171 in September does not include \$40,000 worth of lodgers tax by one property that was not with a check. The Lodgers report is based on cash received. So the true number for September is \$80,000 over the prior year and up \$56,000 for this year. He explained the late payer is usually given one more month before notification and then the City places a lien on property and removes it from the web site. He was surprised they did not make their payment timely. It was probably a clerical error. The Lodger's report is for the month of September but Rocky Mountain and Star are for October.

The other report is the GRT report. It reflects \$2.5 million ahead for 5 months of collection. This is two months in arrears so either August or September. On the back it shows accommodations and food continue to run ahead for the month of September but May through September is up \$602,000 (10% up over last year). It would suggest the restaurants are doing as well as lodging. Retail was down \$150,000 for September but up 5% for the year.

Member Hendry pointed out that we are seeing some buying on the internet and not paying GRT.

Mr. Randall said the state controls that. His biggest concern is to make sure the galleries are healthy. That they are making sales whether with GRT or not. But the GRT is our only measure of how well retail is doing.

## **III. CVB ACTIVITY REPORTS**

### **a. Sales, Marketing and Executive Report – Randy Randall**

Mr. Randall introduced John Feins, PR Director for Tourism Santa Fe.

Mr. Randall said the Sales report is in the packet. He came back to sales later.

Mr. Randall said the Marketing Report is also in the packet. The highlights are on page 3 and he read from them.

Mr. Feins reported that almost half of the top hotels are in the southwest. In Conde Nast tabulated, Santa Fe was #2 in small cities. This year, Conde Nast changed the category for best cities of the World to exclude those in the United States. He tabulated all scores and Santa Fe was #6 of all scores in the world.

Mr. Randall said Charleston and Florence were 1 and 2. Santa Fe was third in US. By increasing the population for small cities to 150,000, Charleston slipped into the small category. The ranking is a vote of the readers. They have a survey on questions about night life, food, lodging, culture, etc. Charleston was about 3 points ahead of Santa Fe.

On March 1, Tourism was told we needed to make a report to Council after nine months on our success and how much we directed into local support for the agency. We made that in written format and he should have brought a copy but will email it to Board members. We won't make verbal report to Council on December 9 but extending our ideas through fiscal year is on their agenda. (FUSE).

Mr. Randall said affordability of Santa Fé is something he forgets until he travels. Compared to San Diego, the pricing is extremely competitive here.

Member Pettus said the occupancy tax is also.

Mr. Randall went back to Sales. At year end, we are to finish at about 28,000 room nights but YTD is 16,000 through September. That means a tremendous amount to close in December for the future. The key report is a significant uptick to book with our new personnel on the sales team. We have filled fourth position Council approved and April Gallegos comes from La Posada and is very familiar with selling Santa Fé and we shifted territories around.

Member Hendry wanted to see a chart. Council is using their ability to give away the Convention Center but he would like to see it full all the time. The patio could be a good performance center with bleachers there.

Mr. Randall said every Councilor has used their give-away days every year. Each of them, with one exception, has specified their use for 2016 on the calendar. If a nonprofit is interested in one-day use, we keep a list of them and advise them of Councilors who have days left. He said they can't do more because organizations that could pay, get it for free and have a fund raiser and get more than \$150,000 and got a \$4,000 use at no cost. There are over 225 uses of the center this past year including what is forecasted in December. It is used much more than you or others probably think. We tried to find a place for a group in the spring and there was only one weekend available through June. The employees are all on full forty hour week schedule and added four more employees out of 7 total allowed this last budget cycle.

Mr. Randall said bleachers in the courtyard is a very clever idea and he will work with Jamie to see what can be done.

**b. PR Report – John Feins**

Mr. Feins said this was another good month. As of last week they had over \$21 million earned media and it does not include the Bachelor. The target was \$15 million. We are working hard on holiday gift guides for December. Many dedicated pictures have gone out.

Mr. Randall said the only thing different on what we are doing this year vs 2 years ago, is that we brought PR in-house and reallocated funds that were going to a 3<sup>rd</sup> party. Mr. Feins has shown we are the only thing limiting. We are using the same agency and paying same amount. Two years ago it was \$7 million earned and this year is \$25 million. He has shown how a focused effort maximizes the result. The goal for next year will be at least \$25 million. We don't have a replacement for the Bachelor.

Member Hendry gave congratulations but what was done with PR needs to be duplicated with advertising. He asked to bring it back in-house at least for two years by hiring someone locally. We don't need to go out. There are creative people here.

Mr. Randall said they are using a firm in New York for PR but managing locally. Using Blake Jackson and Cynthia Delgado and focus on advertising just as we do with PR. We have a good advertising program put together. I think we will see the same type of success. PR is easier to measure. The \$25 million sounds great. They are inflated but inflated each year. We are three times more successful than 2 years ago. The agency in New York and Boston have the talent and the buying skills that we don't have locally. I'd love to have an in-town firm but keep in mind that most of the money is spent with the advertising locations. Media and radio, whether done in Santa Fé or Boston, doesn't affect where the preponderance of the money is spent. It is about \$225,000 per year and leading our economy. \$140,000 was creatively readdressed into the Santa Fé economy. We will go to RFP and if a Santa Fé agency bids, we will definitely consider them.

Mr. Randall noted the State's account was large enough to use a group in Santa Fé but they would not bid on our RFP.

Member Pettus added that the 10% preference was used but it just wasn't in what we got.

**Member Victoria Bruneni arrived at 10:56, establishing a quorum.**

Mr. Feins said PR may not fall under marketing. "If you really want to move people's minds, you have to take action. If we want, we need to be in glossy magazines on a regular basis. Real advertising happens. But with PR, that is how it is done. PR is more important now than advertising. People are more impressed by what other people say and Millennials know that ads just want to sell things. Also, third party endorsements are important." He clarified that he was not saying Tourism should not have advertising but PR moves people more.

At 11:05, Member Pettus called the meeting to order and went back to the beginning agenda.

## **I. PROCEDURES**

### **c. APPROVAL OF AGENDA**

Member Bruneni moved to approve the agenda as amended. Member Hendry seconded the motion and it passed by unanimous voice vote.

### **d. APPROVAL OF MINUTES - August 27, 2015, September 22, 2015, October 27, 2015**

Member Hendry requested one correction to the minutes on page 6 where it should have said it is a good thing for the state, not a bad thing.

Member Hendry moved to approve the minutes as corrected. Member Bruneni seconded the motion and it passed by unanimous voice vote.

### **c. Executive Director Report – Randy Randall**

## **IV. FUNDING APPLICATIONS**

Member Pettus said she would recuse herself from any action on these.

Mr. Randall clarified that this is just for discussion. We need to determine a date for a study session to allow presentations from each applicant and determine their worth. You could see the Applications in advance and then at our next meeting could formalize the recommendations and put it on council for their first meeting in January. We also need to determine if there are any that don't qualify before asking them to make Applications. Two of them were of concern as not an annual event that reoccurs; Desert Chorale and ArtSmart appear to be one-off events.

Mr. Randall said he will send out copies of the applications tomorrow and asked what date could we review them.

Member Hendry asked if the Board could do that ahead of the December 15 meeting.

Mr. Randall said they should allow 30 minutes per presentation so at least 1.5 hours to 2.5 hours is needed for them.

Member Pettus asked about short term rentals.

Mr. Randall said it will go to Council on December 9<sup>th</sup>. The report is not final yet but hopefully within 7-10 days. Member Margetson also chairs a Chamber committee and will address short term rentals. He might invite this committee to attend. He asked City attorney to give a ruling on meeting beforehand. The report on December 9 will be an information report and didn't anticipate Council action. The only other thing is the status on the Airport consultant support to provide a plan for better use of the airport. Ms. Brennan told him the MOU between City and County will be completed today and once in hand, we can issue the RFP. Private partners are not part of MOU and looking at first quarter for that consultant contract.

Mr. Randall gave a brief report on New Year's Eve at the Convention Center. Council approved a \$50,000 budget but asked us to cut back. Since then, PNM has contributed Ray Sandoval who does Zozobra for coordination. Bands are scaled back from national to regional. One from 9-10 and the featured band from 10:30 up to midnight with short set afterward. PNM also donated \$10,000 for what happens in a light show. So the budget is about half of what was projected. It has to be measured by quality, not attendance. If it is a good event, it will grow. If not, it won't happen again. We will have patio heaters in the patio and permission on the street for open wood-burning luminarias.

Member Hendry agreed to provide water and hot chocolate.

## **V. OTHER MATTERS BY THE BOARD**

### **a. Change December Meeting Date to December 15, 2015 at 10:00 a.m.**

Member Bruneni moved to schedule the December meeting on December 15. Member Hendry seconded the motion and it passed by unanimous voice vote.

## **VI. ADJOURNMENT**

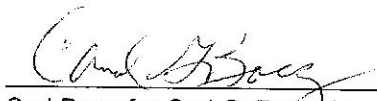
The meeting was adjourned at 11:26 p.m.

Approved by:

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Paul Margetson, Chair

Submitted by:

  
Carl Boaz for Carl G. Boaz, Inc.